JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

The Michigan Office of Financial and Insurance Services (OFIS)

The Michigan Office of Financial and Insurance Services (OFIS) is responsible for the regulations of 139 banks, about 170 domestic insurance companies (including Blue Cross Blue Shield and 30 HMOs), 260 credit unions, about 1,300 foreign insurance companies, 1,583 investment advisors, 2,164 securities broker-dealers, 6,000 consumer finance lenders, 75,000 insurance agents, 120,715 securities agents, 5 savings banks and 4 Business and Industrial Development Companies. OFIS is part of the Department of Consumer and Industry Services and is primarily fee-funded, requiring minimal public tax dollars for its regulatory and consumer assistance activities.

Michigan is the first state to coordinate regulation of financial institutions, insurance, and securities industries under the federal Financial Services Modernization Act of 1999.

The Office of Financial and Insurance Services is led by Commissioner Linda A Watters. The Chief Deputy Commissioners are: Frances K. Wallace, Office of Policy, Conduct and Consumer Assistance, and the Office of Financial Evaluations is vacant at this moment.

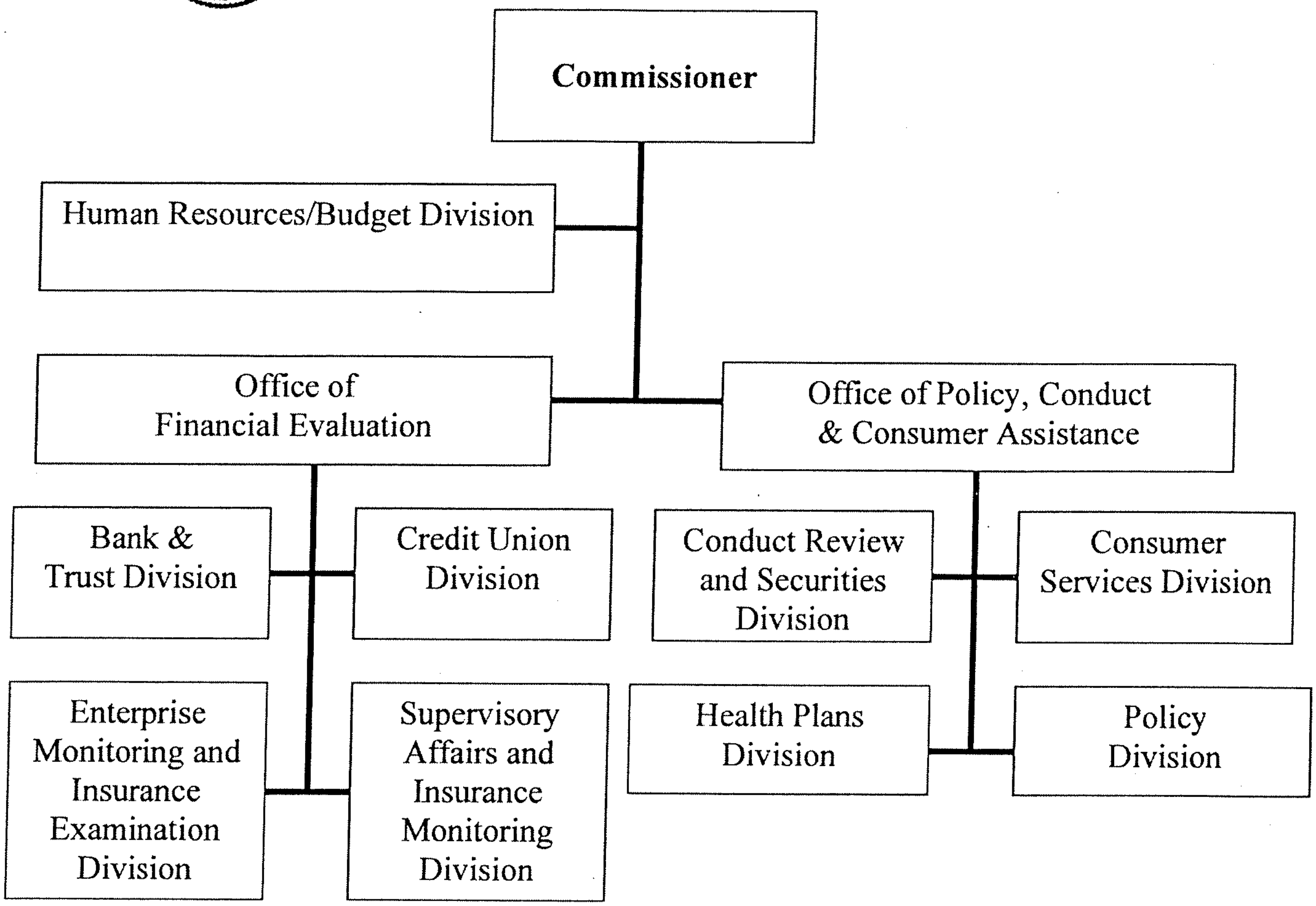
OFIS can offer assistance to consumers if they have questions or complaints about credit unions, insurance companies, banks, mortgage lenders, securities and HMOs by calling toll free (877) 999-6442 or on line at **www.michigan.gov/ofis**

OFIS is creating appropriate functional regulation for the financial services industry. Government regulators often apply a model of regulation to modern organizations that is a result of 130 years of experience. With changing complexities in the financial services field, the old-fashioned model cannot maintain a pace consistent with the industries', Regulators must become adept at interpreting and regulating complex service enterprises that did not exist even five years ago.

It is OFIS's duty to sustain an active relationship with Michigan's consumers. This involves keeping consumers informed and helping them adapt to industry developments. Most consumers are not aware of the complex changes occurring in the financial industry. OFIS actively assists consumers in all the regulated industry areas.

Through adaptability and consumer communication, the staff members of the Office of Financial and Insurance Services strive to be the preeminent financial services regulators in the United States.

Michigan Office of Financial and Insurance Services



Current organization charts and additional information can be found on the OFIS web site at www.michigan.gov/ofis or toll free at 877-999-6442.

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CONSTITUENT ASSISTANCE

OFIS can assist with any complaints or questions about banks, credit unions, insurance companies, HMOs, securities & insurance agents, BCBSM, and consumer finance lenders. Consumers may contact us directly at our toll free number:

1-877-999-6442

or on our web site at:

www.michigan.gov.ofis.

- **If your legislative office has a constituent issue and you would like our assistance, please contact Cathy Kirby at 517-241-4158.**
- **For policy and legislative questions, please contact Krystal Rourke at 517-373-1866**
- **To reach the commissioner's office, please call 517-335-3167**
- *All of our staff can be reached through the toll free number.*

Fact and Figures

Banks and Saving Banks

State banks	139	$101,711,810,000 in assets
State savings banks	5	$1,917,151,000 in assets
Total		**$103,628,961,000 in assets**

Credit Unions

State chartered credit unions	259	**$19,400,000,000 in assets**

Registered Brokers Dealers, Registered Securities Agents and Registered Investment Advisors

Broker Dealers	2,164
Securities Agents	120,715
Investment Advisors	1,583
Total	**124,462**

Mortgage Licensees

Mortgage Licenses	7,384

(*This figure includes 3,034 first mortgage licensees and registrants; 1590 secondary mortgage licensees and registrants; 1,949 Motor Vehicle Installment Sellers; and 752 Motor Vehicle Sales Finance*)

Insurance Producers

Total Active Insurance Producers	126,821

Insurance Premium Written Year-End 2003

Life Insurance	$3,585,063,000
Property & Casualty Insurance	$15,770,456,000
Accident & Health Insurance	$15,461,169,000
Total Insurance Premium Written in Michigan	**$46,661,406,000**

Office of Financial and Insurance Services
FTE Report

Division Name	FTE
ADMINISTRATION	
Commissioner	4
Human Resources/Budget	6
Administration Total	**10**
Office of Financial Evaluation	2
Bank and Trust	47
Credit Union	40
Supervisory Affairs & Insurance Monitoring	17
Enterprise Monitoring & Insurance Examinations	33
OFE Total	**139**
Office of Policy, Conduct & Consumer Assistance	2
Consumer Services	23
Health Plans	15
Market Conduct	63.5
Policy	9
OPCCA Total	**112.5**
OFIS Total	**261.5**

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The Michigan Office of Financial and Insurance Services (OFIS)

PUBLICATIONS

OFIS has numerous consumer publications on issues relating to the financial institutions, insurance and securities. All of our publications, including complaint forms and information about our complaint processes, are available on our web site or by calling OFIS toll free at **1-877-999-6442**. Please feel free to contact us if you have further questions about our resources.

OFIS is continually updating resources and publications. Attached, please find a copy of our publications listing on the OFIS web site. The most current publications are located there and the OFIS web site address is **www.michigan.gov/ofis**.

Your office should also receive press releases and the new *Focus on OFIS* when they are published.

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Automobile Insurance

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- Interactive Buyers' Guide to Auto Insurance In Michigan
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- MCCA Plan of Operations PDF
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- The Michigan Automobile Insurance Placement Facility PDF
- The Three Types of Collision Coverage PDF

Consumer Finance

- Mortgage Shopper's Resource Kit PDF
- Consumer Mortgage Protection Act FAQs
- Michigan Statutory Interest Rate Ceiling Table PDF

Discounted Health Plans

- Consumer Information on Discount Health Care Plans PDF

General Insurance

- Frequently Asked Questions About Insurance Credit Scoring PDF
- A Report on Insurance Credit Scoring PDF
- How Does an Insurance Company Decide Whether It Will Accept You as a Policyholder PDF
- Insurance Misrepresentation: What to Watch For PDF
- Insurance Policies and How to Claim What's Yours PDF
- Long-Term Care Policies in Michigan PDF
- NAIC Long-Term Care Shopper's Guide (572 KB) PDF
- NAIC Consumer Alert: How to Be "Claim Smart" PDF
- NAIC Consumer Alert: Renter's Insurance: To Purchase or Not to

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- Mandatory Health Coverage
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Homeowners/Renters Insurance

- Information on Purchasing Home and Renters Insurance
- Buyers' Guide to Home and Renters Insurance In Michigan (700 KB) PDF
- Interactive Buyers' Guide to Home and Renters Insurance in Michigan
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- Flood Insurance: What You Need To Know PDF
- Home Business Insurance PDF
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- Homeowners Insurance: Replacement Cost vs. Repair Cost Policies PDF
- Renter's Insurance: A Smart Buy PDF
- The Michigan Basic Property Insurance Association PDF
- Title Insurance PDF
- Online Customer Satisfaction Survey for Home and Renters Insurance Web Pages

Life Insurance

- NAIC Consumer Alert: Tips for Buying Life Insurance PDF
- Understanding Life Insurance: Should You Change or Cancel a Policy PDF

Securities

- Business Guide to Selling Securities PDF
- Don't be a Phone Robbery Victim! PDF
- Should I be suspicious? PDF
- Test Before You Invest PDF
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- Surplus Lines Policies PDF

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- 2003 OFIS Annual Report PDF

Agency Rule Reports

- Report for the Safeguarding Rules PDF

OFIS Annual Report Archives

- 1999 Financial Institutions Bureau Annual Report
- 1998 Financial Institutions Bureau Annual Report
- 1997 Financial Institutions Bureau Annual Report
- 1997 Insurance Bureau Annual Report (577 KB) PDF
- 1996 Insurance Bureau Annual Report (782 KB) PDF
- 1995 Insurance Bureau Annual Report (555 KB) PDF

Annual Maximum/Minimum Adjustments

- Cemetery/Funeral Maximum
- Discretionary Group Life Maximum
- Fire Insurance Withholding Maximum Escrow
- Substance Abuse Minimum
- Work Loss Maximum

Commercial Liability Insurance Market Report

- 2003 Commercial Liability Degree of Competition Statement PDF
- 2001 Final/Preliminary Report - State of Competition in the Commercial Liability Insurance Market PDF
- 2000 Final/Preliminary Report - State of Competition in the Commercial Liability Insurance Market PDF
- 1999 Final/Preliminary Report - State of Competition in the Commercial Liability Insurance Market PDF

Financial Inst. Corporate Monthly Activity Report

- 2004 Activity Reports
- 2003 Activity Reports
- 2002 Activity Reports
- 2001 Activity Reports

Regulatory Fee Report

- 2001 (Fiscal Year End 2000) PDF
- 2000 (Fiscal Year End 1999) PDF

Short Term Health Insurance Policies Report

- 2004 (Calendar Year 2003) Short Term Health Insurance Policies PDF

- 2001 (Calendar Year 2000) Short Term Health Insurance Policies PDF
- 2000 (Calendar Year 1999) Short Term Health Insurance Policies PDF

Workers' Compensation Insurance Market Report

- 2003 Worker's Compensation Degree of Competition Statement PDF
- 2001 Final/Preliminary Report - State of Competition in the Workers' Compensation Insurance Market PDF
- 2000 Final/Preliminary Report - State of Competition in the Workers' Compensation Insurance Market PDF
- 1999 Final/Preliminary Report - State of Competition in the Workers' Compensation Insurance Market PDF

Addtl. Financial and Insurance Services Reports

- 2001 Report on The Availability and Pricing of Liquor Liability Insurance PDF
- 2003 Report on The Availability and Pricing of Liquor Liability Insurance PDF
- Consumer Financial Services Licensee Financial Summary
- DeNovo Banks PDF
- Medicaid Timely Payment Report PDF
- Regulatory Loan Licensee Financial Summary

Bank and Trust Division

Mission

The Bank and Trust Division is responsible for safety and soundness supervision of Michigan's state-chartered banks, savings banks, and Business and Industrial Development Companies (BIDCOs). The Division ensures that these organizations are operating safely and soundly, that public confidence in the financial system is maintained, and that the interests of depositors, creditors and shareholders are protected. The Division does this by conducting examinations of these financial organizations' books, records, policies, and procedures; by monitoring the quarterly financial reports that banks and savings banks file with the Federal Deposit Insurance Corporation; by providing input to agency analysts regarding financial institutions' applications; and by making staff available to address seminars for financial institution executives and others.

The Division also is responsible for monitoring the effectiveness of the laws that govern regulated institutions. These are:

- the Banking Code of 1999;
- the Savings Bank Act of 1996; and
- the Michigan BIDCO Act.

Based on their observations and experience, division staff make recommendations to agency administrators for changes in these laws to eliminate unnecessary regulatory burden, improve service to the public, or improve the supervisory tools available to regulate financial institutions. Staff answer questions from institutions, consumers, and others about these laws, such as whether a particular business activity is permitted or what limits are placed on conduct of an activity.

Of the Division's 43 current staff members, 37 are examiners who conduct our primary business of monitoring the condition of state-chartered banks, savings banks and BIDCOs. Each examiner has primary responsibility for a portfolio of institutions. Divided among four geographic regions, examiners are in full-time travel status and work on-site in regulated institutions. Examiners from each region also serve on the Examiner Technology Group, a resource for assessing and making recommendations regarding software, equipment and other examination tools, for working with the Conference of State Bank Supervisors and federal regulators on electronic examination software, for producing and updating electronic compilations of relevant laws and regulations, and for trouble-shooting technical problems in the field.

Office of Financial and Insurance Services
Bank & Trust Division

Industry: 139 state-chartered banks, five state-chartered savings banks, four BIDCOs

Assets regulated: Insured state-chartered banks and savings banks held assets of $137.5 billion as of 9/30/04

Bank employment: Michigan's state-chartered banks and savings banks employed 31,210 people as of 9/30/04

Size Range: largest: Comerica at $52.9 billion assets
smallest: Bank of Michigan, Farmington Hills, opened January 10, 2005.

Regulatory Program Budget: $8,307,320 in FY'05

FTEs: 47 authorized; 43 current employees; 4 vacancies in process of being filled

Staff Tenure: average tenure at 1/31/05 – 10.17 years; 16 of 39 examiners were hired in 2003 and 2004

Training: Extensive on-the job and formal training. Generally takes four years to train a new examiner in the skills needed to manage examination of a medium-size bank. Formal training is provided by federal regulators and Conference of State Bank Supervisors.

Accreditation: OFIS bank regulation program has been accredited through Conference of State Bank Supervisors since 1986, most recently in 2003.

Examinations: State law requires banks be examined at least every 18 months. Most are on this schedule, except new banks and problem banks are examined every 12 months and receive interim on-site reviews. Exams may be conducted by OFIS staff independently on an alternating basis with federal regulators, or jointly with examiners from the FDIC or Federal Reserve. The two largest state banks each have an examiner assigned full-time and target examinations of different areas of the banks are conducted throughout the year.

Bank Fees: Supervisory fees are set by the Commissioner annually. By law they may not exceed 25 cents per thousand dollars of a bank's assets. In 2004, the supervisory fee averaged about 3.3 cents per thousand of assets. For most banks, the OFIS fee is about 25 – 50% of what they would be assessed if they held a national (instead of a state) charter. Total bank supervisory and trust fees in 2004 amounted to $4.7 million.

For information about the locations of state-chartered banks, bank mergers and consolidations, and new bank applications, visit the OFIS Web site at www.michigan.gov/ofis. For information about all Michigan's banks, including detailed financial information, visit the FDIC Web site at: www.fdic.gov.


UPPER PENINSULA REGION
Minneapolis Federal Reserve
(includes UP and Cheboygan, Otsego, Montmorency, Alpena, Presque Isle Countie
4 Bank Examiners
WEST REGION
Chicago Federal Reserve
10 Examiners
EAST REGION
Chicago Federal Reserve
(follows US 23 in the southern portion)
13 Examiners
CENTRAL REGION
Chicago Federal Reserve
(follows US 66)
8 Examiners
KEWEENAW
HOUGHTON
ONTONAGON
BARAGA
GOGEBIC
IRON
MARQUETTE
ALGER
SCHOOLCRAFT
LUCE
CHIPPEWA
MACKINAC
DICKINSON
DELTA
MENOMINEE
EMMET
CHEBOYGAN
PRESQUE ISLE
CHARLEVOIX
OTSEGO
MONT-MORENCY
ALPENA
ANTRIM
LEELANAU
BENZIE
GRAND TRAVERSE
KALKASKA
CRAWFORD
OSCODA
ALCONA
MANISTEE
WEXFORD
MISSAUKEE
ROS-COMMON
OGEMAW
IOSCO
ARENAC
MASON
LAKE
OSCEOLA
CLARE
GLADWIN
HURON
OCEANA
NEWAYGO
MECOSTA
ISABELLA
MIDLAND
BAY
TUSCOLA
SANILAC
MONTCALM
GRATIOT
SAGINAW
MUSKEGON
KENT
SHIAWASEE
LAPEER
ST CLAIR
OTTAWA
IONIA
CLINTON
GENESEE
ALLEGAN
BARRY
EATON
INGHAM
LIVINGSTON
OAKLAND
MACOMB
VAN BUREN
KALAMAZOO
CALHOUN
JACKSON
WASHTENAW
WAYNE
BERRIEN
CASS
ST JOSEPH
BRANCH
HILLSDALE
LENAWEE
MONROE

Michigan Banking Organizations
with
Assets in Excess of $1 billion

Banking Organization	Assets as of 09-30-04 (000)
Comerica Incorporated Detroit, MI	$52,989,464
Fifth Third Bank-Michigan Grand Rapids, MI	38,983,151
Citizens Banking Corporation Flint, MI	7,703,352
Republic Bancorp Inc. Owosso, MI	5,785,394
Chemical Financial Corporation Midland, MI	3,855,934
Capital Bancorp Limited Lansing, MI	3,105,889
Independent Bank Corporation Ionia, MI	2,987,598
Macatawa Bank Corporation Holland, MI	1,613,906
MBT Financial Corporation Monroe, MI	1,555,231
Mercantile Bank Corporation Wyoming, MI	1,473,554

New Banks Chartered in Michigan

1/1/2000 through 1/31/2005

Charter #		Bank Name	EffectiveDate		Type		CharterCity
1043		Bank of Michigan	1/10/2005		Commercial Bank		Farmington Hills
1042		JPMorgan Chase Bank, Dearborn	12/1/2004		Commercial Bank		Dearborn
1039		1st State Bank	4/12/2004		Commercial Bank		Saginaw
1038		Main Street Bank	3/1/2004		Commercial Bank		Northville
1037		Legacy Trust	2/3/2004		Uninsured Bank		Grand Rapids
1036		The Connable Office, Inc.	8/1/2003		Uninsured Bank		Kalamazoo
1034		Summit Community Bank	12/27/2002		Commercial Bank		East Lansing
1028		Gogebic Range Bank	5/20/2002		Commercial Bank		Bessemer
1033		Plante Moran Trust	2/25/2002		Uninsured Bank		Southfield
1030		Seaway Community Bank	12/3/2001		Commercial Bank		Saint Clair
1025		United Bank & Trust - Washtenaw	4/2/2001		Commercial Bank		Ann Arbor
1023		Bank of Alpena	3/26/2001		Commercial Bank		Alpena
1027		New Liberty Bank	3/16/2001		Commercial Bank		Plymouth
1022		The Miners State Bank	3/15/2001		Commercial Bank		Iron River
1024		Northstar Bank	2/1/2001		Commercial Bank		Bad Axe
1020		Tri-Star Trust Bank	11/8/2000		Uninsured Bank		Saginaw
1018		Traverse City State Bank	7/6/2000		Commercial Bank		Traverse City
1019		Firstbank - St. Johns	6/16/2000		Commercial Bank		Saint Johns
1015		Michigan Trust Bank	4/3/2000		Uninsured Bank		Southfield
1014		Davison State Bank	3/13/2000		Commercial Bank		Davison
1012		Old Mission Bank	2/7/2000		Commercial Bank		Sault Sainte Marie
1013		The Bank of Northern Michigan	1/18/2000		Commercial Bank		Petoskey

Overview
Bank Examination Program
Office of Financial and Insurance Services

All banks have a choice of charter such as a state charter, national charter or thrift charter. If a bank chooses a state charter, it is regulated by OFIS. It also has to choose whether or not to be a member of the Federal Reserve and that determines who the bank's federal regulator will be. A state-chartered "member" bank is regulated by both OFIS and the Federal Reserve. A state-chartered "non-member" bank is regulated by both OFIS and the Federal Deposit Insurance Corporation.

State law requires that banks be examined at least once every 18 months. Most banks are included in this cycle. Exceptions to this examination cycle are the very large banks over $1 billion in size, problem banks, and newly chartered banks. Problem banks and newly chartered banks are on a 12-month exam cycle and receive interim on-site visits to better monitor their performance. Each of the two largest state-chartered institutions is assigned a full-time examiner to monitor their performance and oversee "target" examinations that are conducted throughout the year at that institution.

OFIS generally conducts "joint" exams with the appropriate federal agency representatives of the banks that are examined every 12 months. An institution needs to be in satisfactory condition to qualify for this "divided" examination program. State law allows OFIS to accept examinations conducted by the federal agencies in lieu of a state examination, and state examinations likewise are accepted by federal agencies to meet their examination requirements. OFIS bank supervision program is accredited by the Conference of State Bank Supervisors. That accreditation, in place continuously since 1986, assures federal regulatory agencies that OFIS' bank supervision practices meet high standards and that the state examination product is reliable.

A "safety and soundness" examination includes an evaluation of a bank's financial condition and its compliance with certain banking rules and regulations. The examination includes an evaluation of capital adequacy, asset quality, management performance and effectiveness, earnings, liquidity practices, and exposure to interest sensitivity. Each of these areas is assigned an individual rating and then a composite "CAMELS" rating is assigned for the institution based on these components. The individual ratings are more fully discussed as follows:

-*Capital adequacy* is evaluated in relation to supervisory guidelines, the nature and extent of risks to the organization, and the ability of management to address these risks. Consideration is given to the level and quality of capital and overall financial condition of the institution; the nature, trend, and volume of problem assets and the adequacy of the allowance for loan and lease losses and other valuation reserves; risk exposures presented by off-balance sheet activities; quality and strength of earnings; balance sheet composition, including the nature and amount of intangible assets, market risk, concentration risk, and nontraditional activity risk; growth experiences, plans, and prospects; reasonableness of dividends; access to capital markets and other appropriate sources of financial assistance; and ability of management to address emerging needs for additional capital.

-*Asset quality* is evaluated in relation to the level, distribution, severity, and trend of problem, classified, delinquent, nonaccrual, nonperforming, and restructured assets, both on- and off-balance sheet; the adequacy of the allowance for loan and lease losses and other valuation reserves; demonstrated ability to identify, administer and collect problem assets; the diversification and quality of loan and investment portfolios; the adequacy of loan and investment policies, procedures, and practices; extent of securities underwriting activities and exposure to counterparties in trading activities; credit risk arising from or reduced by off-balance sheet transactions; asset concentrations; volume and nature of documentation exceptions; effectiveness of credit administration procedures, underwriting standards, risk identification practices, controls, and management information systems.

-Management and the board of directors are evaluated against all factors necessary to operate the institution in a safe and sound manner and their ability to identify, measure, monitor, and control the risks of the institution's activities. Consideration is given to the level and quality of oversight and support provided by management and the board; compliance with regulations and statutes; ability to plan for and respond to risks that may arise from changing business conditions or initiation of new products or services; accuracy, timeliness, and effectiveness of management information and risk monitoring systems; adequacy of and compliance with internal policies and controls; adequacy of audit and internal control systems; responsiveness to recommendations from auditors and supervisory authorities; reasonableness of compensation policies and avoidance of self-dealing; demonstrated understanding and willingness to serve the legitimate banking needs of the community; management depth and succession; the extent that management is affected by or susceptible to dominant influence or concentration of authority; and the overall performance of the institution and its risk profile.

-Quality and quantity of earnings are evaluated in relation to the ability to provide for adequate capital through retained earnings; level, trend, and stability of earnings; sources of earnings; level of expenses in relation to operations; vulnerability of earnings to market risk exposures; adequacy of provisions to maintain the allowance for loan and lease losses and other valuation reserves; reliance on unusual or nonrecurring gains or losses; the contribution of extraordinary items, securities transactions, and tax effects to net income; and adequacy of budgeting systems, forecasting processes, and management information systems.

-Liquidity is evaluated in relation to the trend and stability of deposits; the degree of reliance on short-term, volatile sources of funds, including any undue reliance on borrowings or brokered deposits, to fund longer term assets; access to money markets and other sources of funding; the adequacy of liquidity sources and ability to meet liquidity needs; the effectiveness of liquidity policies and practices, funds management strategies, management information systems, and contingency funding plans; capability of management to properly identify, measure, monitor, and control liquidity; and the level of diversification of funding sources, both on- and off-balance sheet.

-Sensitivity to market risk reflects the degree to which changes in interest rates, foreign exchange rates, commodity prices, or equity prices can adversely affect earnings or the economic value of capital; the ability of management to identify, measure, monitor, and control exposure to market risk given the institution's size, complexity, and risk profile; the nature and complexity of interest-rate-risk exposure arising from nontrading positions; and where appropriate, the nature and complexity of market risk arising from trading and foreign operations.

When an examination is completed, examiners discuss their preliminary findings in an exit meeting with bank management. A confidential, written report of examination findings is prepared and sent to the bank's board of directors and federal regulatory agencies. Examination findings may also be presented in person to the Board of Directors.

Throughout the year, OFIS staff monitor a bank's performance through its submission of quarterly financial information. Adverse financial levels and trends result in contacting bank management for explanations of these causes. Depending on the severity of the trends observed, a follow-up on-site visit may be made.

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

JENNIFER M. GRANHOLM
GOVERNOR

LINDA A. WATTERS
COMMISSIONER

Michigan Office of Financial and Insurance Services (OFIS)

FEDERAL DEPOSIT INSURANCE COMPANY (FDIC)

Statistics on Depository Institutions

Column 1	Column 2	Column 3	Column 4	Column 5
Name of Institution	National Information For All Insured Depository Institutions (Banks, Savings Banks, and Savings & Loans)	Michigan Information For All Insured Depository Institutions (Banks, Savings Banks, and Savings & Loans)	Federally Chartered Insured Depository Institutions Operating in Michigan	State Chartered Insured Depository Institutions Operating In Michigan

You are now at the content frame, you may change report selections through the upper header frame.

Click on the **Update Report** button after changing the report and column selections to refresh the report below

FDIC - Statistics on Depository Institutions Report

Note: Go to the end to obtain a key report for the column selections. Go to Key

		All Institutions - National 9/30/2004 $ in 000's Total (Sum)	All Institutions - State = MI 9/30/2004 $ in 000's Total (Sum)	All Institutions - Federally chartered - State = MI 9/30/2004 $ in 000's Total (Sum)	All Institutions - State chartered - State = MI 9/30/2004 $ in 000's Total (Sum)
1	Number of institutions reporting	9025	174	38	136
	Assets and Liabilities				
2	Total employees (full-time equivalent)	2,141,427	44,089	12,879	31,210
3	**Total assets**	**9,877,031,728**	**198,144,580**	**60,623,095**	**137,521,485**
4	Cash and due from depository institutions	453,032,939	4,706,486	1,351,727	3,354,759
5	Interest-bearing balances	188,498,718	349,618	144,692	204,926
6	Securities	1,796,063,952	31,235,172	10,976,315	20,258,857
7	Federal funds sold & reverse repurchase agreements	408,943,132	7,460,854	169,259	7,291,595
8	Net loans & leases	5,897,644,486	137,424,041	38,387,912	99,036,129
9	Loan loss allowance	83,783,561	1,990,457	438,879	1,551,578
10	Trading account assets	470,412,045	236,323	116,080	120,243
11	Bank premises and fixed assets	99,476,914	2,287,857	609,357	1,678,500
12	Other real estate owned	5,493,273	282,991	154,969	128,022
13	Goodwill and other intangibles	293,005,566	6,002,826	5,103,768	899,058
14	All other assets	452,959,417	8,508,029	3,753,707	4,754,322
15	**Total liabilities and capital**	9,877,031,746	198,144,585	60,623,100	137,521,485
16	**Total liabilities**	**8,876,355,355**	**176,527,553**	**52,661,265**	**123,866,288**
17	Total deposits	6,383,463,297	141,376,460	35,002,597	106,373,863
18	Interest-bearing deposits	5,304,932,255	105,916,971	27,389,946	78,527,025
19	Deposits held in domestic offices	5,563,603,281	137,013,553	31,839,944	105,173,609
20	% insured (estimated)	63.90%	55.05%	61.36%	53.14%
21	Federal funds purchased & repurchase agreements	729,345,027	6,126,419	1,703,006	4,423,413
22	Trading liabilities	239,647,563	97,657	26,176	71,481
23	Other borrowed funds	1,139,273,465	20,721,946	11,310,662	9,411,284
24	Subordinated debt	110,805,620	3,673,991	1,700,000	1,973,991
25	All other liabilities	273,820,383	4,531,080	2,918,824	1,612,256
26	**Equity capital**	1,000,676,391	21,617,032	7,961,835	13,655,197
27	Perpetual preferred stock	7,206,100	326,570	0	326,570
28	Common stock	30,782,850	489,868	127,237	362,631
29	Surplus	578,188,653	11,085,356	5,347,388	5,737,968
30	Undivided profits	384,498,788	9,715,238	2,487,210	7,228,028
	Memoranda:				
31	Noncurrent loans and leases	50,647,190	1,670,203	819,920	850,283
32	Income earned, not collected on loans	42,703,888	771,200	263,709	507,491
33	Earning assets	8,597,209,238	176,595,846	49,766,717	126,829,129
34	Long-term assets (5+ years)	1,857,640,971	41,941,085	17,913,282	24,027,803
35	Average Assets, year-to-date	9,457,727,879	197,570,534	62,729,009	134,841,524
36	Average Assets, quarterly	9,755,038,638	198,638,035	61,856,018	136,782,017
37	Volatile liabilities	3,379,280,088	37,492,874	18,621,578	18,871,296
38	Insider loans	35,309,428	1,620,801	245,407	1,375,394

39	FHLB advances	531,017,710	15,030,896	8,020,783	7,010,113
40	Loans and leases held for sale	187,850,211	4,933,540	4,426,300	507,240
41	Unused loan commitments	6,331,857,891	59,234,908	15,181,025	44,053,883
42	Tier 1 (core) capital	768,843,008	17,893,595	5,126,933	12,766,662
43	Total unused commitments	6,389,213,319	59,234,908	15,181,025	44,053,883
44	Restructured Loans and leases	2,566,692	76,188	61,447	14,741
45	Quarterly mutual fund sales	0	0	0	0
46	Derivatives	84,837,846,060	78,528,554	53,052,456	25,476,098
	Total assets and liabilities in foreign offices				
	Past due and nonaccrual assets				
	Fiduciary and related services				

Key for Column Selections:

Column 1 Selections
Standard Peer Group: All Institutions - National
as of 9/30/2004

Column 2 Selections
Standard Peer Group: All Institutions - State = MI
as of 9/30/2004

Column 3 Selections
Standard Peer Group: All Institutions - Federally chartered - State = MI
as of 9/30/2004

Column 4 Selections
Standard Peer Group: All Institutions - State chartered - State = MI
as of 9/30/2004

FEDERAL DEPOSIT INSURANCE CORPORATION
INSURING AMERICA'S FUTURE

Statistics on Depository Institutions

Report Menu (Listed) Update Report

Report Date:	9/30/2004	9/30/2004	9/30/2004	9/30
Data Type:	Ratios	Ratios	Ratios	
	Year-to-Date	Year-to-Date	Year-to-Date	Year-t
Income Basis:	Average (W)	Average (W)	Average (W)	Avera

You are now at the content frame, you may change report selections through the upper header frame.

Click on the **Update Report** button after changing the report and column selections to refresh the report below

FDIC - Statistics on Depository Institutions Report

Note: Go to the end to obtain a key report for the column selections. Go to Key

		All Institutions - National 9/30/2004 $ in 000's Average (W)	All Institutions - State = MI 9/30/2004 $ in 000's Average (W)	All Institutions - Federally chartered - State = MI 9/30/2004 $ in 000's Average (W)	All Institutions - State chartered - State = MI 9/30/2004 $ in 000's Average (W)
1	Number of institutions reporting	9025	174	38	136
	Performance and Condition Ratios	***(Year-to-date)***	***(Year-to-date)***	***(Year-to-date)***	***(Year-to-date)***
2	% of unprofitable institutions	5.66%	4.60%	5.26%	4.41%
3	% of institutions with earnings gains	59.92%	41.38%	39.47%	41.91%
	Performance Ratios (%, annualized)	***(Year-to-date)***	***(Year-to-date)***	***(Year-to-date)***	***(Year-to-date)***
4	Yield on earning assets	4.95%	4.94%	5.05%	4.89%
5	Cost of funding earning assets	1.43%	1.39%	1.95%	1.16%
6	Net interest margin	3.52%	3.54%	3.09%	3.74%
7	Noninterest income to earning assets	2.41%	1.44%	1.12%	1.57%
8	Noninterest expense to earning assets	3.50%	3.13%	3.34%	3.04%
9	Net operating income to assets	1.23%	0.98%	0.33%	1.29%
10	Return on assets (ROA)	1.29%	1.06%	0.56%	1.30%
11	Pretax return on assets	1.91%	1.56%	0.85%	1.89%
12	Return on equity (ROE)	13.51%	9.88%	4.41%	13.16%
13	Retained earnings to average equity (YTD only)	6.60%	2.54%	-1.54%	4.99%
14	Net charge-offs to loans	0.55%	0.31%	0.10%	0.39%
15	Credit loss provision to net charge-offs	93.63%	100.38%	370.89%	73.82%
16	Earnings coverage of net loan charge-offs (x)	6.50	7.73	12.00	7.31
17	Efficiency ratio	57.74%	62.49%	78.71%	57.08%
18	Assets per employee ($ millions)	4.61	4.49	4.71	4.41
19	Cash dividends to net income (YTD only)	51.12%	74.25%	135.02%	62.04%
	Condition Ratios (%)				
20	Loss allowance to loans	1.40%	1.43%	1.13%	1.54%
21	Loss allowance to noncurrent loans	165.43%	119.17%	53.53%	182.48%
22	Noncurrent assets plus other real estate owned to assets	0.57%	0.98%	1.61%	0.70%
23	Noncurrent loans to loans	0.85%	1.20%	2.11%	0.85%

[Printer Friendly]

Bank & Trust Division

The Bank and Trust Division ensures that Michigan's state-chartered banks, savings banks and Business and Industrial Development Companies (BIDCOs) are operating safely and soundly, that public confidence in the financial system is maintained, and that the interests of depositors, creditors and shareholders are protected.

What's New

- CSBS Stateside News & Views, late 2004 PDF
- Failure to Comply with Historic Preservation Law Can Cause Major Delays for your Bank

Bulletins

- BIDCO Bulletin
- OFIS Bulletins
- Financial Institution Position Statements
- Bank Bulletins

Codes and Acts

- Banking Code of 1999
- Analysis for the Banking Code of 1999 PDF
- Cross Reference PDF
  Banking Code of 1999 to Banking Code of 1969
- Historical Background for the Banking Code of 1999 PDF
- Anti-Redlining Act
- BIDCO Act
- Savings and Loan Act
- Savings Bank Act
- Electronic Funds Transfer Act

Commissioner's Orders, Rulings and Communications

- Declaratory Rulings
- Federal Regulatory Agencies Opinion Letter about Michigan's Bank Reporting Procedure PDF
- Reporting Suspected Financial Exploitation of Vulnerable Adults PDF
- Firstbank - West Branch PDF
  Order authorizing to engage in agent finding activities. No. 02-023-BT
- Comerica Bank PDF
  Order Approving Establishment of Canadian Branch. No. BT-01-01
- Merrill Lynch PDF
  Amended Order Approving an Extension of the Period for which the Bank is Organized and that the Extension be for a Perpetual Term; and Waiving the Need for Further Compliance with Conditions 6, 15, And 16 of the Order Approving the Application to Establish the Bank. No. BT-0612-94-02
- Smith Barney PDF
  Amended Order Approving the Establishment and Operation of Smith Barney Private Trust Bank of Michigan. No. BT-0612-97-04

Forms

- Bank and Savings Bank Forms
- BIDCO and Anti-Redlining Forms

Regulated Banks

- Active State-Chartered Banks Locator
- Active State-Chartered Savings Banks
- Banks / Saving Banks authorized to exercise trust powers PDF
  (updated 05/20/04)
- Business and Industrial Development Companies (BIDCO) PDF
  (updated 9/22/04)
- DeNovo Banks PDF

Rules

- OFIS Administrative Rules - Banks
  Michigan Administrative Rules for Banks

Reports

- Archived Annual Reports
- 2003 OFIS Annual Report PDF
- 2004 Activity Reports
- 2003 Activity Reports
- 2002 Activity Reports
- 2001 Activity Reports

Related

- Other
- Trade and Professional Organizations
- Bank for International Settlements
- Digital Phishnet
- National Fraud Information Center
- Counterpart State Regulatory Agencies

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Credit Union Division

Mission

The Credit Union Division regulates and supervises state-chartered credit unions under the authority of the following statutes:

- Michigan Credit Union Act (1925 PA 285)
- Credit Union Multiple-Party Account Act (1968 PA 41)
- Beneficiary Accounts Act Credit Union Regulation (1992 PA 31)
- Electronic Funds Transfer Act (1978 PA 322)

The Division ensures Michigan's state-chartered credit unions are operating safely and soundly, that public confidence in the system is maintained, and that the interests of depositors, creditors, and shareholders are protected.

The Michigan Credit Union Act requires all Michigan credit unions to be federally insured. The Division works cooperatively with the National Credit Union Administration (NCUA), which administers the National Credit Union Share Insurance Fund (NCUSIF). NCUA places substantial reliance on the Division's examination and supervision activities in managing NCUSIF risk. NCUA and Division management meet quarterly to discuss emerging issues, institutions requiring more than normal supervision, and other matters of mutual interest.

The Credit Union Division staff includes 35 full time employees, comprised of 25 field examiners, 4 regional supervisors, 3 administrative support employees, a review examiner, assistant director, and deputy commissioner.

The Division also remains highly involved with NASCUS, the nationwide professional organization for state credit union regulators. NASCUS promotes the dual chartering system and autonomy of state regulatory agencies. Credit Union Division Deputy Commissioner Roger Little serves as NASCUS Chairman, and is active in policy formation and other issues at the national level.

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
DAVID C. HOLLISTER, DIRECTOR

JENNIFER M. GRANHOLM
GOVERNOR

LINDA A. WATTERS
COMMISSIONER

DATE: December 3, 2004

LETTER NO.: 2004-CU-09

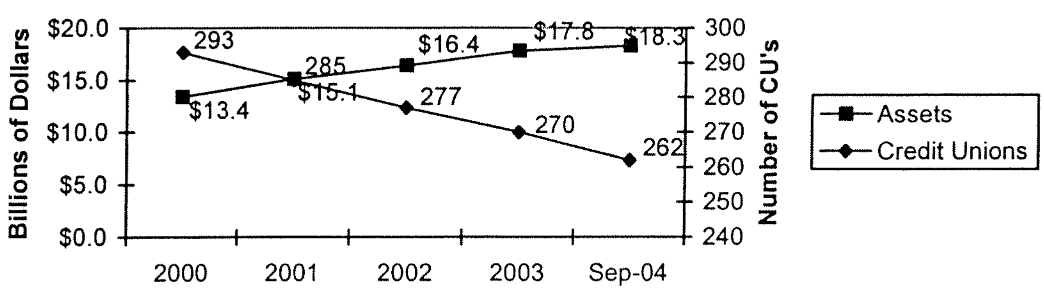
TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions

SUBJECT: 2004 Third Quarter Financial Results

The Office of Financial and Insurance Services (OFIS) compiles call report information to monitor Michigan state-chartered credit unions, both individually, and in the aggregate. The purpose of this letter is to share some overall industry trends and highlight certain areas of particular concern based on the September 30, 2004 call report filings. The following information and analysis does not include CenCorp Credit Union.

Consolidation Continues

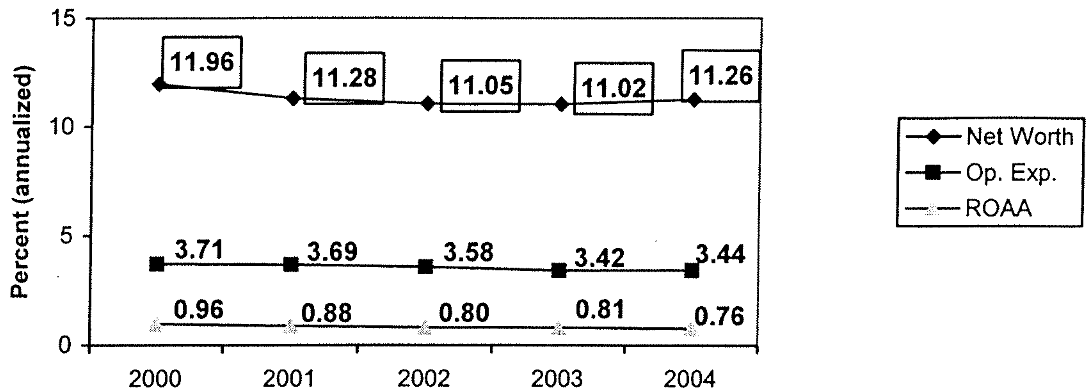
The trend of consolidation continued for Michigan state-chartered credit unions through the first three quarters of 2004. However, asset growth has slowed in 2004 as compared to recent years.



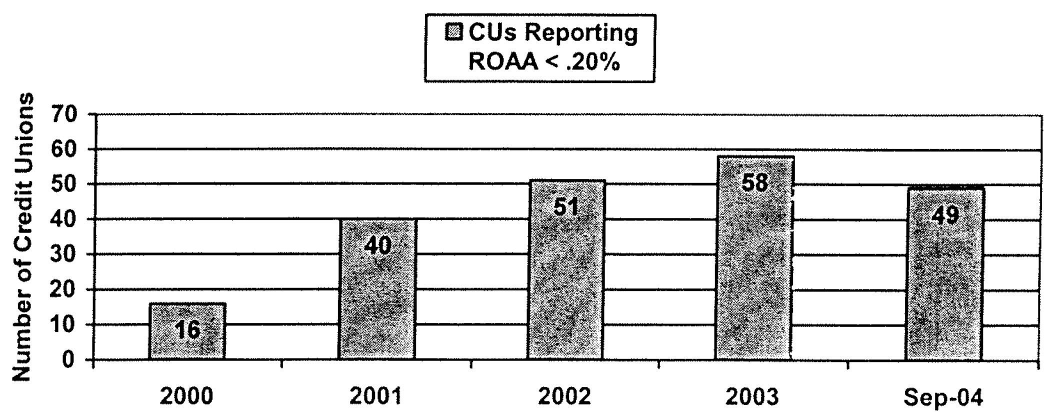
The number of credit unions reporting a decline in assets increased from 10 at year-end 2003 to 28 at September 30, 2004.

Net Worth Remains Strong, But Earnings Problems Continue

Net worth fell to 10.86% at mid-year 2004, but rebounded to 11.29% by the end of the third quarter of 2004. This surge can be attributed in part by the decline in total assets during the third quarter. Operating expense levels remain stable, but Return on Average Assets (ROAA) declined slightly during 2004.



The number of credit unions reporting an ROAA of less than .20% remains high, but has declined during 2004. There are now 49 credit unions reporting an ROAA of less than .20%, down from 58 at year-end 2003.



Interest rate risk management continues to be crucial. Lagging interest rates prolong the possibility of rapid increases in rates. Management is encouraged to continually monitor risk when pursuing optimum performance from loans and investments.

Asset Quality Remains Sound
The aggregate delinquency and net charge-off ratios remained stable at 1.02% and 0.51% (respectively) during the year. The number of credit unions reporting adverse trends in these areas continues to decline.

Conclusion
Overall, the financial condition of Michigan state-chartered credit unions remains strong. Directors and management teams must monitor the financial condition of their credit union on an ongoing basis. Sound risk management includes timely identification of potential risks and adverse trends, and taking appropriate steps to ensure risks are properly managed.

I hope the information in this letter is helpful in making informed business decisions. Operating a financial institution safely and soundly requires diligence in risk identification, measurement, and management. The information in the September 2004 statistics highlight the continuing need for sound risk management practices.

Sincerely,

Roger W. Little, Deputy Commissioner
Credit Union Division

Mortgage & Consumer Finance (Market Conduct Division)

Mortgage and Consumer Finance Section

The Mortgage and Consumer Finance Section includes two units: 1) Examination and Investigations Unit and 2) Licensing Unit. The Section's mission is to maintain consumer confidence in the sellers of financial products and to protect Michigan consumers from a wide range of improper and unlawful practices under the statutes and related laws. Other responsibilities include analyzing information gathered through mandated filings of annual reports and financial statements by non-depository licensees and registrants.

Examinations and Investigations Unit
The Examinations and Investigations Unit performs targeted market conduct examinations and investigations of consumer lenders to ensure that they operate safely, responsibly and in compliance with applicable law.

Licensing Unit
The Licensing Unit is responsible for investigating and granting licenses and registrations under the consumer finance and motor vehicle statutes the section regulates.

Section Activity Summary

The mortgage industry in Michigan is large, diverse, growing, and increasingly the area with the most fraud and predatory lending activity. Mortgage industry regulation is 100% funded by restricted funds received from the industry through an annual operating assessment fee. There is no impact on Michigan's general fund.

This section deals with predatory lending, which can be defined as an activity, in the course of mortgage loan origination or servicing, that results in financially disadvantaging the consumer - whether intentional and direct or unintentional and indirect. Examples include interest rates that do not relate to the risk of the loan, extremely high closing (origination) costs that do not relate to the risk of the loan, and loans with much higher costs and/or interest rates at closing than were disclosed previously. Michigan consumers are being harmed in these, and many other, ways each and every day.

Purchasing a home is the largest single investment most consumers will make in their lifetimes. The laws regulating the mortgage lending industry changed dramatically in the early 1980's. First, Congress removed the statutory rate advantage Savings & Loans enjoyed over commercial banks. Further deregulation of the banking industry lead to the mortgage broker industry. In 1980, thrift and other depository institutions did approximately 80% of 1-4 family mortgage lending. These institutions were closely regulated and supervised depository insured financial institutions. Today, about 50% of 1-4 family lending is conducted by brokers and lenders licensed or registered with OFIS. These entities are non-depository uninsured financial institutions.

The attached graph illustrates the tremendous growth in the non-depository marketplace for mortgage lending.

Staff strives to efficiently utilize limited resources to effectively supervise an ever-increasing population of non-depository licensees and registrants. The section conducts examinations of consumer financial services licensees and investigations of consumer financial services registrants. Limited-scope examinations are also administered to target companies of various sizes that reportedly have been conducting unauthorized activities. Off-site examination techniques are used to more effectively supervise institutions that do not have a physical presence within Michigan and have a limited amount of activity in this state. To be efficient, contract examiners are used to leverage the six full time examiners and one supervisor currently on staff. Staff works with other law enforcement personnel whenever appropriate including U.S. Attorney's office, the FBI, the U.S. Postal Inspectors Office, the Michigan Attorney General's Office, the Michigan Consumer Services Agency, and local county prosecutors.

During 2003, Licensing Unit staff processed 2,101 new license and registration applications. Overall, the number of licensees and registrants under the seven consumer finance programs increased in 2003, as it has in each of the past several years, and totaled 7,224 at December 31, 2003, an increase of 25% from December 31, 2002.

The most significant increase in population came in the first and second mortgage programs, which grew 58% over the course of the year. With a forecast of slightly higher mortgage interest rates in 2005, increased activity in mortgage refinancings is not expected, and a steady volume or even level of license application filings is expected. The number of mortgage license applications sometimes increases even as overall mortgage activity in the marketplace declines.

Mortgage and Consumer Finance Section Licenses and Registrations

As of February 4, 2005

First Mortgage Licenses and Registrations	3,034
Secondary Mortgage Licenses and Registrations	1,590
Motor Vehicle Installments Sellers	1,949
Motor Vehicle Sales Finance	752
Consumer Financial Services-Class I	13
Consumer Financial Services-Class II	4
Regulatory Loan	22
Sale of Checks	18
Credit Card	2
Total	**7,384**

Statute Summaries

Mortgage Brokers, Lenders, and Servicers Licensing Act

The Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173, as amended, provides for licensing, registration, and regulation of mortgage brokers, mortgage lenders, and mortgage servicers. The act pertains to loans secured by first mortgages or land contracts covering real property located in the state of Michigan, which is used, or improved to be used, as a dwelling and designed for occupancy by four or fewer families. Licensees are typically required to have a minimum net worth ranging from $25,000 to $100,000 and must generally post a bond, letter of credit, or certificate of deposit in amounts ranging from $25,000 to $125,000. Net worth and bonding requirements are dependent upon the type of services being offered.

Secondary Mortgage Loan Act

The Secondary Mortgage Loan Act, 1981 PA 125, as amended, authorizes the licensing, registration, and regulation of entities which make secondary mortgage loans for personal, family, or household purposes. The act also allows for loans secured by other collateral in addition to real property. Licensees are typically required to have a net worth ranging from $25,000 to $100,000 and must generally post a bond or letter of credit in an amount ranging from $25,000 to $125,000, depending on the type of services being offered.

Motor Vehicle Sales Finance Act

The Motor Vehicle Sales Finance Act, 1950 PA 27, as amended, regulates certain installment sales of motor vehicles. It provides for licensing and regulation of both the installment sellers, who are motor vehicle dealers originating installment sales contracts, and sales finance companies, the financial institutions that purchase these contracts from the dealers. The act requires bonding of sales finance companies ranging from $5,000 to $20,000 for main offices, plus $10,000 for each branch office. Installment sellers do not have a bonding requirement. The act imposes no net worth requirements on installment sellers and sales finance companies.

Consumer Financial Services Act

The Consumer Financial Services Act, 1988 PA 161, as amended, provides for the licensing and regulation of institutions which provide a variety of financial services, and eliminates the need for an institution to acquire a separate license for each activity. A "Class II" license authorizes services under the Regulatory Loan Act, Motor Vehicle Sales Finance Act, Secondary Mortgage Loan Act (exception: secondary mortgage servicing), and Credit Card Act. A "Class I" license authorizes services under the Sale of Checks Act, secondary mortgage servicing under the Secondary Mortgage Loan Act, Mortgage Brokers, Lenders, and Servicers Licensing Act in addition to the authorities provided under a Class II license.

A Class I license requires a bond or letter of credit of $1,000,000 and a minimum net worth of $100,000. A Class II license requires a bond or letter of credit of $500,000 and a minimum net worth of $50,000. If a licensee engages in credit card activities, a minimum net worth of $1,000,000 is required.

Regulatory Loan Act

The Regulatory Loan Act, 1963 PA 103, as amended (successor to 1921 PA 317, the Small Loan Act), authorizes the licensing and regulation of entities, which make personal loans to consumers. The act prohibits the use of real estate as security for these loans. There is no bonding requirement; however, licensees are required to maintain a minimum net worth of $100,000.

Sale of Checks Act

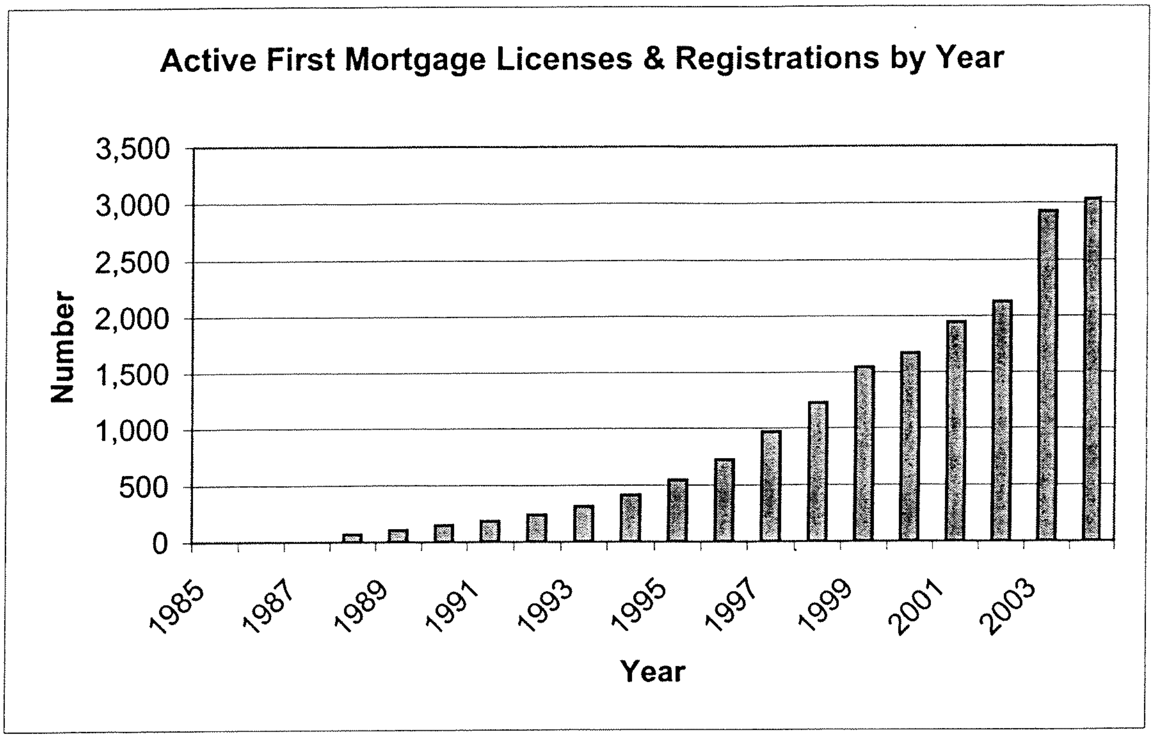
The Sale of Checks Act, 1960 PA 136, as amended, authorizes the licensing and regulation of the business of selling and issuing travelers checks, drafts, and money orders as a service or for a fee. The act also regulates telegraph companies, which transfer funds by wire. The act requires a $100,000 minimum net worth and a minimum bond of $100,000 plus $3,000 for each agent up to a maximum of $250,000.

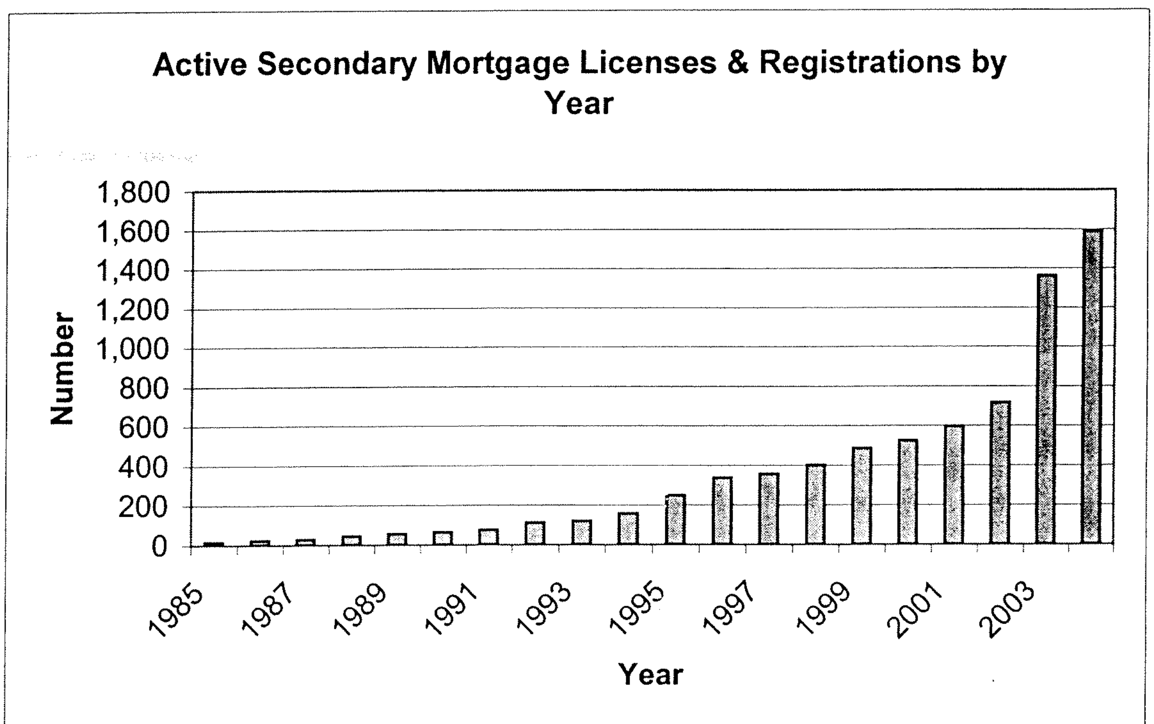
Credit Card Arrangements Act

The Credit Card Arrangements Act, 1984 PA 379, as amended, authorizes the licensing and regulation of non-depository issuers of credit cards. A minimum net worth of $1,000,000 is required by the act; however, the commissioner may establish a higher net worth requirement if it is necessary to assure a safe and sound operation. There are no bonding requirements.

Mortgage Licensee
Population Growth by Type

	Lic Type Ct*	
Year	FM	SM
1985		17
1986		24
1987	1	30
1988	72	46
1989	108	57
1990	150	65
1991	183	76
1992	241	112
1993	314	121
1994	413	158
1995	544	250
1996	722	338
1997	970	357
1998	1,229	401
1999	1,545	487
2000	1,670	526
2001	1,947	598
2002	2,126	717
2003	2,928	1,362
2004	3,034	1,590





* db filter: eff_date<#01/01/year# and end_date(empty or >#12/31/prior year#)

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ajh\c:\data\mydocsII\CFFMSMliccountbyyear.xls